



## ***NEWS RELEASE***

### **AFFIN Bank Group Records 33.6% Jump In Q4 PBT**

**KUALA LUMPUR, February 28, 2018** – AFFIN Bank Berhad (ABB), the new apex or bank holding company for the Group reported an improved performance for the final quarter of the 2017 financial year. The Group’s Profit Before Tax after Zakat (“PBT”) saw a 33.6% increase to RM223.5 million for the quarter under review, up from RM167.3 million in the previous financial year. Profit after Tax (“PAT”) rose to RM176.1 million from RM130.0 million in the corresponding quarter of the previous year. For the full-year ended 31 December 2017, the PBT of ABB Group was RM550.7 million while the Group’s PAT stood at RM424.4 million.

Earnings per share (“EPS”) for the financial year under review was at 24.0 sen (2016 : 27.5 sen) while net assets per share was RM4.26 as at 31 December 2017 (31 December 2016 : RM3.44).

“As the dynamics of the economy and industry continue to evolve, it is important that we put in place the right strategies, focused on efficiency, productivity and adaptability in order to differentiate ourselves and thrive. Our new corporate structure will enhance Group-wide synergy and drive us into the next phase of growth,” said En. Kamarul Ariffin Mohd Jamil, Group CEO of ABB Group.

#### **Results of AFFIN Holdings Berhad (“AHB”) Group**

AHB, the former apex or financial holding company for the Group registered an improved consolidated PAT of RM180.4 million in the current quarter as compared to RM177.0 million in the same quarter of the previous year. For the full-year ended 31 December 2017, the PBT of AHB Group was RM693.2 million while the Group’s PAT stood at RM534.9 million.

AHB Group registered an EPS of 26.54 sen for the financial year under review (2016 : 29.03 sen) while net assets per share was RM4.67 as at 31 December 2017 (31 December 2016 : RM4.47).

### **Highlights of Key Operating Units within the Group**

The commercial banking segment, comprising ABB and AFFIN Islamic Bank Berhad ("AiBB"), recorded a lower PBT of RM498.6 million as compared to RM599.9 million in the previous financial year as a result of higher overhead expenses mainly attributable to higher personnel cost due to provision for VSS and higher headcount as well as higher allowance for loan impairment.

AiBB, the Islamic banking arm of ABB registered and improved PBT of RM118.0 million for the financial year under review as compared to RM143.4 million in the previous year, owing to higher overhead expenses and higher allowance for financing impairment.

AFFIN Hwang Investment Bank Berhad ("AHIB"), the investment banking arm of ABB, had a strong performance for the year, recording RM182.3 million in PBT, a 40.0% jump from the previous year. This was in line with improved markets sentiment resulting in growth in Asset Under Management (AUM), higher activities in investment and trading as well as capital markets advisory services.

In the insurance segment, AXA-AFFIN Life Insurance Berhad ("AALI") posted a pre-tax loss of RM26.1 million for the year under review while AXA-AFFIN General Insurance Berhad ("AAGI") registered a full-year PBT of RM143.6 million.

## **Awards & Recognitions**

In 2017, the Group received many international and domestic awards, including the prestigious Asian Banker's Liquidity Risk Technology Implementation of the Year, JomPAY National Biller Acquisition (Mid-sized Acquirers) Award, Asiamoney's Best Securities House and Most Improved Brokerage in Malaysia, Alpha Southeast Asia's Best Mid-Cap Equity Deal and Most Innovative Wakalah Deal in Southeast Asia, IFR Asia's Best Islamic Issue of the Year and Malaysia Capital Markets Deal of the Year, The Edge's Best IPO and four Best Call Awards, The Asset Triple A's Asset Management House of the Year (Multi-Asset) and Asset Management Company of the Year in Malaysia, Malaysia Best Employer Brand Award 2017, Euromoney's Best Asset Management and 3<sup>rd</sup> ranked Investment Banking Capabilities in Malaysia, Asia Asset Management's Best Institutional House in Malaysia and runner up for Best Cash Management Poll (Small) 2017.

AHIB also maintained its position as the No. 1 Broker in Bursa Malaysia by trading value and volume, while improving its Unit Trust industry ranking by one notch to No. 2.

## **Group Prospects**

ABB's strategic transformation plan, AFFINITY programme, remains well on track to continue achieving growth. ABB is focused on the second phase of its three-year Affinity programme ("Affinity") initiatives to improve earnings and operating efficiencies. The focus is on building digital banking capabilities with enhanced analytics for better customer engagement, expanding targeted growth segments, enhancing productivity through automation and emphasizing customer experience.

AHIB will continue its growth transformation, especially its Investment Banking business, which is expected to harness the full synergies derived from the Group's re-organisation.

AALI aims to reposition its business towards health and protection with a focus on building multi-channel proposition targeting different customer segments, including relatively less penetrated customer segments.

The general insurance market experienced some contraction in 2017 amidst the second phase of liberalisation. Market conditions are still expected to be challenging in 2018 as the impact of motor and fire detariffication will be felt more profoundly. AAGI will focus on selective growth and will harness the benefits from the transformation projects undertaken, while continuing its journey to be a customer centric insurer.

**AFFIN Bank Group is a major home-grown financial services conglomerate. The Group's activities focus on commercial, Islamic and investment banking services, money broking, asset management and underwriting of life and general insurance business. The prominent shareholder of AFFIN Bank is Lembaga Tabung Angkatan Tentera, the nation's premier superannuation fund manager for the Armed Forces. As at 31 December 2017, the Group's unaudited paid-up capital stood at RM4.7 billion, while the Group's shareholders' fund was at RM8.3 billion.**

Issued on behalf of: <b>AFFIN Bank Berhad</b> By: <b>acorn communications sdn bhd</b> For more information, please contact <b>Sara Gan</b> at <b>016 713 8233</b> or <b>Michelle Vincent</b> at <b>014 661 2747</b> or <b>03 7958 8348</b> or e-mail: <a href="mailto:acorncommunications@acornco.com.my">acorncommunications@acornco.com.my</a>
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